



Date: 1/26/2021

To: Craig Development, The Ruins LLC, Jesse Craig

From: Martin Peterson Loan Officer Red River State Bank

Subject: Term Sheet for Apartment Construction in Watertown SD

This memo is drafted today to outline the terms and conditions of the construction and permanent financing of a 63 unit apartment complex known as "The Ruins" in Watertown SD.

Construction Phase:

Loan Amount: \$7,200,000

Rate: Variable @ WSJ Prime + 1.10% (4.35%)

Draw Period: 12 Months

Interest Only Period: 18 Months

Security: 1st REM on Proposed Property, Blanket Business UCC filing against The Ruins LLC a SD LLC, unlimited unsecured personal guarantee from Jesse Craig.

Conditions:

Note to be participated to other banks to offset internal lending limit of RRSB.

LTV not to exceed 90% of construction cost or appraisal less TIF whichever is lower.

Draws and Lien Waivers to be done through First Dakota Title Watertown SD.

Permanent Phase:

Loan Amount: \$7,200,000 (50% participated to SD REDI Program)

Rate: 10 year fixed rate @ WSJ Prime + 1.10% at the time of funding.

Term: 10 year

Amortization: 20 year

Payment Frequency: Monthly P&I beginning one month from funding date.

Security: 1st REM on Proposed Property, Blanket Business UCC filing against The Ruins LLC a SD LLC, unlimited unsecured personal guarantee from Jesse Craig.

Conditions:

Note to be participated to other banks to offset internal lending limit of RRSB.

LTV not to exceed 90% of construction cost or appraisal less TIF whichever is lower.

As completed appraisal required to be completed.

Terms are subject to the completion of work and the OC (Occupancy Certificate) being issued with no unsatisfied construction liens, and all lien waivers being received by First Dakota Title.

A blue ink signature of Martin Peterson, consisting of a stylized 'M' and 'P'.

Martin Peterson
Red River State Bank
Loan Officer